



FORNEY ECONOMIC DEVELOPMENT CORPORATION

**MINUTES
REGULAR MEETING
101 EAST MAIN STREET
FORNEY, TEXAS 75126
NOVEMBER 10, 2016
6:30 P.M.**

The Forney Economic Development Corporation (FEDC) of the City of Forney met on November 10, 2016 City Council Chambers. FEDC Board President Joe Dan McBeth, Vice President & Treasurer Scott Burrus and Board Directors Jessica Browning, Fred Alexander and Jon Bennett were in attendance. Secretary Kym Tayament arrived at 6:46 p.m. Board Director DeCarlo Coleman was absent. FEDC Director Warren Ketteman and FEDC Coordinator Stewart McGregor were also in attendance.

1. Call to Order at 6:32 p.m.

2. Invocation by Stewart McGregor

3. Consent Items

- a. Approval of the FEDC Minutes – October 13, 2016 Regular Board Meeting

Mr. Tayamen made a motion to approve the minutes and Mrs. Browning seconded. All other board members present voted in favor.

b. Financial Report

Mr. Burrus gave the financial report. We are at 8.33% of the fiscal year, with revenues at 7.6% and expenditures at 5.67%.

c. Executive Director's Report

Mr. Ketteman gave the Executive Director's Report. A complete copy is available in the FEDC Offices. Specifically, Mr. Ketteman noted the Service Line Training that was held on 10/27, the Community Economic Development Award from the Texas Economic Development Council and ongoing work toward the countywide Veterans Job Fair to be held on 11/14.

4. Discussion/Action Items

- a. Discussion and possible action concerning the Downtown Parking Project and committed EDC funds.

Mr. Ketteman said due to only a singular bid coming through from the same company twice from AXIS Contracting for the downtown parking project, there was a gap between funds available and the total bid. He said the City Manager supports completing the project and there is availability for City/EDC participation. As part of the CIP Funds available for Downtown Parking, there was \$593,142 budgeted, along with \$290,884 remaining in the Downtown Bonds fund for a total of \$884,006. The bid from AXIS came in at approximately \$1,335,851.50. Therefore, there is approximately \$451,845 left to cover for the project to take place. While there was no contingency in the proposal, Mr. Ketteman recommended an extra \$100,000 be added for contingency for a grand total of approximately \$552,000. Mr. Ketteman recommended \$352,000 come out of EDC reserve funds and the City provide \$200,000, subject to Council approval.

Mr. Ketteman noted there's approximately \$1,000,000 in EDC reserve funds, along with an extra \$400,000 committed incentive funds for a future retail development next to Kroger. Mr. Ketteman said the City Manager wants the Downtown Parking Project to take place and feels comfortable the City could come up with funds to partner with the EDC on the project. Mr. McBeth then asked if any parts of the unspent contingency money would go back to the EDC. Mr. Ketteman said it would be part of the negotiation with the City. Mrs. Browning asked if the funds already available had to be used on Downtown. Mr. Ketteman said yes. Mr. McBeth then inquired as to the City contributing \$250,000 and the EDC covering the rest, that way the contingency could be split. He also asked if the parking project

would add spaces to Downtown. Mr. Kettelman said no, due to changing the confines of the project being trimmed down by the proposal from AXIS for just Main and Bois D'Arc. Due to changing the Bois D'Arc parking spaces from nose in to parallel, we would lose approximately 6 spaces. The proposal came back higher than anticipated because the portion of Bois D'Arc to be fixed would need to be upgraded to TXDOT standards. Mr. Kettelman said excess cash after next fiscal year could be possibly used for adding more parking spaces on the back side of Downtown.

Mrs. Browning then asked why Main Street needed to be repaired. Mr. Kettelman said it needed to do so because of drainage issues to keep water from standing like it currently does. He said Elm Street from Highway 80 to Bois D'Arc was under plans by the City to fix via a CIP project which would help Downtown even further. Mrs. Browning then asked if the parking project could be put off to a later date. Mr. Kettelman said it could, but prices could continue to increase and that TXDOT could take a year before they gave the City control of a section of Bois D'Arc. Mr. McBeth asked Mr. Kettelman how much that would save if we waited until TXDOT gave the City control of Bois D'Arc. Mr. Kettelman said approximately \$17 per foot, totaling about \$177,000. When you take the difference of that from what we would pay with the current proposal, Mr. Kettelman net savings would be about \$35,000.

Mr. Alexander made a motion to approve \$305,000 to cover the costs for the parking project, as long as the City approved \$250,000 and to accept the AXIS Contracting proposal dated October 10, 2016. Mr. Burrus seconded the motion. Mr. Alexander, Mr. Burrus, Mr. Bennett, Mr. McBeth and Mr. Tayamen voted yes. Mrs. Browning voted no.

- b. Discussion and possible action concerning a redevelopment incentive grant for the Latham Bakery & Deli, located at 106 E. Main St., Forney, TX 75126.

Mr. Kettelman said due to the new redevelopment incentive program, the project of turning the EDC-owned property at 106 E. Main St. from office into restaurant space would qualify under the confines of this project. He said the EDC received a couple of proposals from contractors for remodeling the space with Craig Randall Custom Remodeling coming in the lowest at \$71,025. Between the \$30,000 building renovation incentive previously approved and the funds available to Mrs. Latham's \$25,000 she plans to use for the building renovation, there was a gap in the funds to pay for remodeling services. Since Mrs. Latham was putting in \$25,000 of her money, she could qualify for a matching \$25,000 redevelopment incentive grant from the EDC.

Mr. McBeth asked Mrs. Latham about moving the handicap accessible restroom and utility upgrades. Mrs. Latham said the bathroom is moving to make the location easier for customers, while the back ADA restroom would be available for employees. She also said she is working to upgrade the electric to 400 amps. Mr. McBeth then inquired as to the interior upgrades and anticipated retail sales. Mrs. Latham said there would be both interior and exterior improvements, as well as anticipated sales of \$230,000 per year from her taxable store sales, along with \$300,000 per year from her package wholesale side of the business.

Mr. Burrus asked regarding how much the EDC had placed in the building. Mr. Kettelman said between the roof and interior renovation funds originally approved, a total of about \$51,685. About \$21,000 was for the new roof and \$30,000 was for the interior. City of Forney Budget Analyst, Charity Wilson, also mentioned the ADA bathroom upgrade that was done last year on the building for \$13,000 came out of the Capital Improvement Projects fund.

Mr. McBeth asked Mrs. Latham when she planned on opening. Mrs. Latham said it would be after the New Year, as construction plans call for approximately 8 weeks to renovate. Mr. Kettelman said she would sign the lease agreement tonight and the lease would start upon receiving her Certificate of Occupancy.

Mr. Bennett made a motion to approve the redevelopment incentive application, on contingency of approval by the other regulatory bodies involved in the planning process, as well as upon receipt of her Certificate of Occupancy and proof of funds spent on the renovation of the building. Mr. Alexander seconded and all other board members present voted in favor.

- c. Discussion and possible action concerning a façade grant for Touch Up Salon, located at 204 S. Bois D'Arc St., Forney, TX 75126.

Mr. Kettelman said that Touch Up Salon is adding on and doubling their size. He said their colors were recently approved by the Architecture Review Board and their plans will need to be approved by the Planning & Zoning Commission, as well as the Forney City Council.

Mrs. Browning made a motion to approve the façade incentive application on contingency of Planning & Zoning and City Council approval, with the incentive being no more than 50% of the cost or \$10,000, whichever is lower, along with proof of receipts and funds spent. Mr. Tayamen seconded and all other board members present voted in favor.

- d. Discussion and possible action concerning EDC cost participation with a traffic study in the area of FM 548 & US Highway 80.

Mr. Kettelman said that due to safety concerns on the intersection in which Raising Cane's is located, the City Manager asked him if the EDC would help partner in a traffic study of the intersection at US Highway 80 and FM 548 by a private engineering firm. He said the total cost of the study is \$40,000, with \$31,500 for tasks 1-4 and \$8,500 for task 5, which would take separate authorization. He said funds would come out of cash reserves and is an economic development issue due to the nature of the study looking at other developments around the intersection.

Mr. McBeth asked if the study would take into consideration the opening of Gateway Blvd. at FM 1641 and the new home development coming with it in Gateway Parks. Mr. Kettelman said it would need to be checked to see if they could include it in the cost. Mrs. Browning asked if there was already a study done for Raising Cane's by TXDOT. Mr. Kettelman said it was a Traffic Impact Analysis specific to the Cane's as a business, without taking into account the area around it. Mr. Tayamen asked when the study would start. Mr. Kettelman said there is no start date, just as soon as possible, once council is able to approve funding. Mr. McBeth recommended sharing the costs of the study 50/50 with the City for tasks 1-4 (\$15,750 each).

Mr. Tayamen made a motion to approve funding for private engineering study at \$15,750. Mr. Alexander seconded and all other board members present voted in favor.

- e. Discussion and possible action concerning economic development negotiations with current prospects.

No action taken.

5. Public Communication

There was no public communication.

6. Executive Session

- a. The Forney EDC will hold a closed Executive Session meeting pursuant to the provisions of Chapter 551 of the Texas Government Code, in accordance with the authority contained in: -§ 551.072 deliberations for the purchase, exchange, lease, or value of real property and/or -§ 551.087 deliberations regarding commercial or financial information that the EDC has received from a business prospect and/or deliberations regarding the offer of a financial or other incentive to a business prospect. (Related to Section 4.e.)

Mr. Burrus made a motion to enter into executive session at 7:52 p.m. Mrs. Browning seconded and all other board members present voted in favor.

- b. The Forney EDC will reconvene into Regular Session, pursuant to the provisions of Chapter 551 of the Texas Government Code, to take any action regarding the above items.

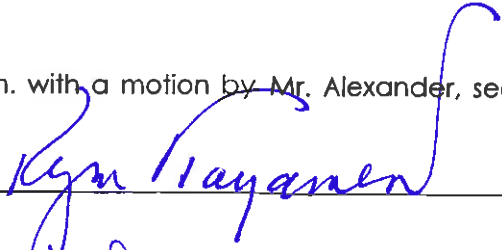
Mr. Bennett made a motion to come out of executive session at 8:44 p.m. Mr. Burrus seconded and all other board members present voted in favor.

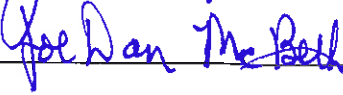
7. Future Agenda Items

No future agenda items were noted.

8. Adjournment by a unanimous "yes" vote at 8:45 p.m. with a motion by Mr. Alexander, seconded by Mr. Burrus.

APPROVED: KYM TAYAMEN, SECRETARY





APPROVED: JOE DAN McBETH, PRESIDENT
DATE: DECEMBER 8, 2016